

MEDIA RELEASE: Oromocto Approves 2025 Budget

For Immediate Release: 22 November 2024

At the regular meeting of Council held on Thursday, 21 November 2024, the Oromocto Town Council passed resolutions to adopt the balanced 2025 operating (\$28.46 M) and capital (\$2.84 M) budgets and the utility operating (\$4.73 M) and (\$10.95 M) utility capital budgets.

HIGHLIGHTS

- Increase the mil rate to 1.4301 for Wards 1, 2, 3 and 0.9757 for Ward 4 Lincoln.
- Hold the 1.7 multiplier on non-residential properties.
- Increase the fixed rate on water bill to \$112.50/quarter.
- Reduce water consumption rate to \$3.30 per cubic meter.
- Proceed with the Oromocto Community Wellness & Recreation Centre project
- Continue catch up on some delayed capital re-investment in equipment and fleet
- Continue dealing with the growing cost of water/sewer appropriately.
- Proceed with planning of a new sewage treatment lagoon and takeover of Base Water Treatment Plant/Waste Water Treatment Plant.
- Re-invest in aging water and sewer infrastructure.
- Meet major investment targets outlined in the 5-year financial plan approved by Council.

Population/Tax Base

The new population of the amalgamated Oromocto (including the new ward 4 – Lincoln) is 11,910. Wards 1, 2, 3 Oromocto Tax Base Value for 2025 is \$1.757 Billion. Ward 4 Lincoln Tax Base Value for 2025 is \$0.316 Billion. Total assessed values for 2025 Tax Base \$2,073,174,600. The Province is applying the 10% cap (spike protection) over 35% of the properties.

Mil Rate(s)

In accordance with the Town's five-year financial plan updated on 22 August 2024 by Council, Wards 1, 2, 3 Oromocto would have seen a mil rate increase of 1.5 cents to 1.4351 and Ward 4 Lincoln an increase of 4 cents to 0.9807. However, based on the provincial assessed values, the Town is able to reduce the planned 1.5 cent increase by 0.5 cents. Council approved the new mil rate increase of 1.0 cents to 1.4301 in Wards 1,2,3 and 3.5 cents to 0.9757 in Ward 4 Lincoln.

Water & Sewer Rates

The water and sewer fund has been adjusted over the past few years, but it continues to operate at a deficit which is unsustainable. This is predominately due to the significant cost increases of the water and sewer services, inflation, and the inability to legislatively pay for those services from its general revenue. As a result, a new rate structure was approved by Council that will enable it to cover its costs and to begin the recapitalization of some of its underground infrastructure. The water and sewer costs cannot be covered by tax rates and must be shared across the users of the utility through direct billing. A revised billing approach was introduced in 2022 that more appropriately shares actual costs of the service charges and consumption. This is the 3rd year of the 5-year financial plan where quarterly fixed rates are to increase to \$137.50 per quarter by 2026. This closely aligns with other jurisdictions.

- In 2025 the quarterly rate will move to \$112.50 which represents a \$25 per quarter increase. It is expected this will produce an overall increase of \$263K revenue for the water and sewer budget.

- The service provider (Base Gagetown) is requesting that the Town increase their water rates by 185% and sewer rates by 285% because of infrastructure upgrades. For 2024-2026 the Town negotiated a 15% increase based on its 5-year financial plan. This will consume \$219K of the \$263K in additional revenues for 2025.

Capital Budget \$13.79 M

Council approved the following capital budget expenditures for 2025:

Buildings:

- Hazen Center and Town Hall - HVAC
- Fire Department - Exhaust Ventilation
- Traffic lights control sensors
- EPW - generator transfer switch
- Small Craft Aquatic Centre – roof

Community Wellness and Recreational Centre:

- Demolition
- Design

Parks and Recreation:

- Hazen Ballfield and Tennis Court – Lighting
- Gateway Trail – accessibility upgrade
- Trail - Richmond Estate to Fredericton refresh and barriers
- AV Park – swing and communication board
- Pickleball pole and net
- Turf Cleaning

Paving and Road Construction:

- Laurier Drive, Fraser Avenue, D'Amours Street

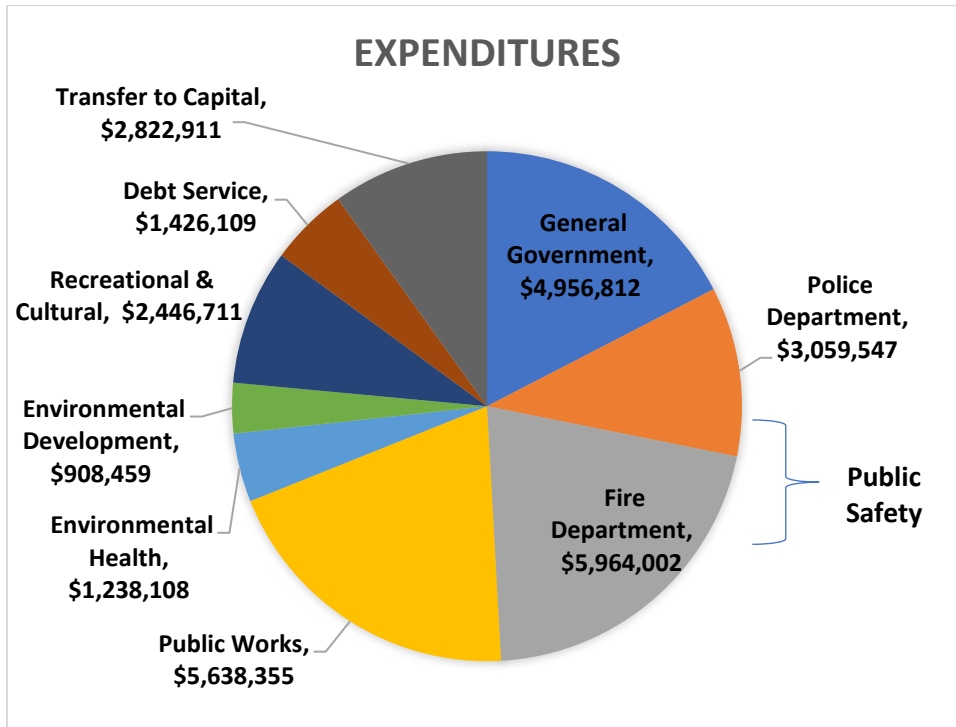
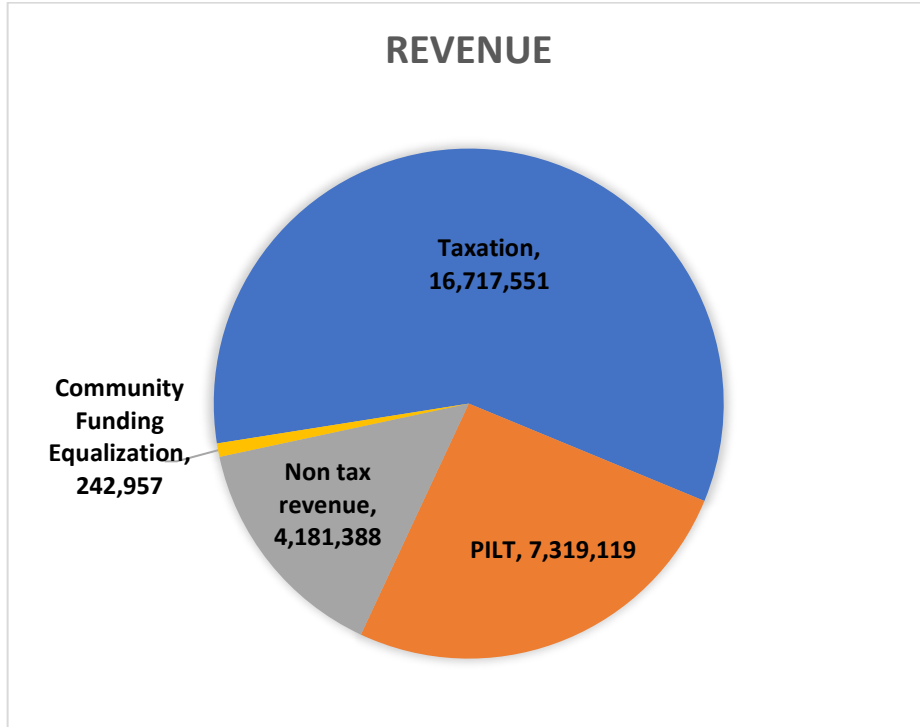
Fleet and Equipment:

- John Deere tractor
- Bucket lift
- Bush Hog
- Broom
- TMR Radio equipment (Fire)
- Critical and technical rescue equipment
- Training site equipment
- Small Vehicles (pickup truck x4, and fire x2)
- Lift station pumps and door replacements

Water and Sewer:

- Wood Street – Sanitary Force Main
- West Sewage Treatment Lagoon

2025 General Operating Fund: \$28.46M



For more information, a summary document is available on the Town of Oromocto's website at www.oromocto.ca.

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